



U.S. Department of Justice

United States Attorney  
Southern District of New York

86 Chambers Street  
New York, New York 10007

MEMO ENDORSED

December 17, 2021

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Via ECF

Honorable Andrew L. Carter, Jr.  
United States District Judge  
Thurgood Marshall United States Courthouse  
40 Foley Square  
New York, New York 10007

Re: *Chemoil Corp. v. United States of America*, 19 Civ. 6314 (ALC) (KNF)

Dear Judge Carter:

This Office represents the United States of America, the defendant in the above-referenced tax-refund case brought by plaintiff Chemoil Corporation. We write respectfully on behalf of both parties to provide the Court with an update on the parties' settlement negotiations and request that the conference scheduled for December 20, 2021, be adjourned *sine die*.

In their December 3, 2021 joint status letter, the parties updated the Court on their settlement discussions. Dkt. No. 61. The letter indicated that, at that time, the United States could not estimate when it would be able to begin substantive settlement discussions (*i.e.*, to propose specific numbers), and Chemoil requested a conference to discuss the parties' disagreement at that time over the application of 26 U.S.C. § 6511(b) to the facts of this case. *Id.* The Court then scheduled a conference for December 20, 2021, at 12:00pm, and requested that the parties file letters describing their respective positions on § 6511(b). Dkt. No. 62. Chemoil filed its letter on December 13, 2021. Dkt. No. 63.

On December 15, 2021, the United States informed Chemoil that, after reviewing the December 13, 2021 letter filed by Chemoil and considering the matter further, it had decided not to assert a defense based on § 6511(b). The United States now informs this Court that it does not intend to assert this defense. The United States also informed Chemoil that it had been authorized to begin substantive settlement discussions, with the understanding any eventual agreement would ultimately have to receive formal approval from senior officials at the Department of Justice.

In light of these developments, the parties believe that the upcoming conference, which was intended to focus on § 6511(b), is no longer necessary. The parties intend to continue their settlement discussions and respectfully propose that they provide another status update to the Court in 60 days, by February 15, 2021.

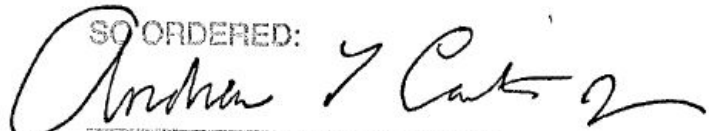
Thank you for your consideration of this request.

Respectfully submitted,

DAMIAN WILLIAMS  
United States Attorney for the  
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cc: Counsel for Chemoil (via ECF)

SO ORDERED:  
  
\_\_\_\_\_  
HON. ANDREW L. CARTER, JR.  
UNITED STATES DISTRICT JUDGE  
Dated: 12/17/2021